

**Guidelines  
for  
Reconciliation of Departmental  
Accounts**

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## **OVERVIEW**

The objective of this manual is to provide a guide for Business Managers and departmental personnel on how to reconcile their departmental accounts. In order for the University to be fiscally responsible, it is imperative that departmental employees prepare monthly reconciliations. Reconciliations will be completed by the 15<sup>th</sup> of each month for the prior month.

The monthly reconciliation will help those responsible for the budget to plan anticipated expenses and avoid not having funding available to meet the needs of the department. Purchases for goods and services will not be permitted unless there are available funds in the index. Indexes will not be permitted to operate with deficit balances.

The following information is intended to simplify and streamline the reconciliation process. If you have questions or need assistance as you prepare monthly reconciliations, a list of web sites and links to help you locate information is attached.

# **INTRODUCTION TO ACCOUNT RECONCILIATIONS**

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contains the following report folders: Accounts Payable, Chart of Accounts, Departments, Financial Reporting, General Accounting, and Purchasing. Each of these report folders contains various reports with parameters determined by the user.

To gain access to run WRL reports, complete the Web Report Library Report Viewer Access Form and obtain the necessary signatures for each report role to which access is requested. Using your UTAD in myUT portal, <http://myut.utoledo.edu/>, you'll find the Systems Access Forms. Refer to the instructions on the Web Links and Contacts page of this document. You do not need access to Banner in order to access WRL, however, completing the Banner Finance application also gives you access to Lawson.

There are several reports in WRL that will provide you with information in different formats. A few of the WRL are suggested in this document. Except for the Position Control Roster report, all these reports are in the Finance – General report role. The Position Control Roster is in the HR/Budget report folder of the HR – Budget report role. Some of the WRL reports have a drill down feature that provides the user with detail of transactions interfaced into Banner from Lawson. If the user wants more detail of non-Lawson transactions, there are several reports which provide information on various types of expenses (for example, Print Shop orders, telephone billings, etc.).

As you run the WRL reports, it's advisable to either print the reports or export them to an Excel Data Only spreadsheet in which you can document and sort the data.

## **STEP 1: ASSURE ADEQUATE FUNDING IN INDEX(ES)**

- First, verify that you know which index(es) you are responsible for reconciling the

index you will be reconciling. This report displays the currently available budget in accounts. It also contains a drill down feature for the detail of encumbrances in Lawson that have not yet been liquidated.

If you want to see the difference in available balances due to encumbrances more readily, run the Budget Statement Summary after the last day of the month to reflect activity as of the end of the month. For example, if you run the Budget Statement Summary on April 1, it will be as of March 31, and the Income Statement Summary may be run at any time for the month of March. To see the same level of details when you run these reports, select “data entry level” at the “account hierarchy level” prompt on the Income Statement Summary, and “show detail data” at the “detail data” prompt.

Of course, if there are expense transactions that have not yet been posted in Banner, available balance(s) will be less.



## **STEP 2: VERIFY THE ACCURACY OF ACCOUNT TRANSACTIONS**

Now that you've made sure there is adequate funding in the indexes you're responsible for reconciling, you are ready to verify the accuracy of account transactions in those indexes. To do this, run the suggested WRL report, "Transaction Detail for Income Statement Accounts with

to your Excel document, one to show that you've verified each expense (excluding salaries and fringe benefits) and revenue transaction , and another to add a comment such as an explanation or reminder to follow-up on a transaction.

The Transaction Detail for Income Statement Accounts includes columns for account, account description, transaction date, transaction description, document number, and transaction amount. The document number is an eight-digit, alphanumeric document number with a prefix that identifies the transaction type. Refer to the list of document type prefixes for help distinguishing transaction types. A few of these document types will be discussed in more detail.

salaries and Document numbers beginning with “BT” and “BP” indicate that Budget Transfers (adjustments to the base budget) have been processed. On the last day of the month, a payroll accrual entry is processed for all salary and benefits lines. The payroll accrual entry is reversed the following month.

If you want more information about non-Lawson operating expense transactions, there are several reports in the General Accounting report folder of the Finance – General report role. A few of these reports are listed below:

- “Document Details by Date Range” – the user specifies the document number and transaction date range.
- “Document Search” – the user specifies certain parameters for a search such as document #, index, and account.
- “Print Shop Monthly Details” - this report shows all Print Shop orders by selected date range.

Departmental monthly telephone bills can be viewed in the Pinnacle system.

In the reconciliation process, you may find one or more transactions that have posted to an incorrect index and/or account. The remedy for transactions charged to an incorrect index and/or account is a Journal Entry. For example, assume that a department initiates paperwork to reimburse an employee. In reviewing the transaction detail, the reconciler realizes that the paperwork submitted to Accounts Payable had an incorrect index. To move this expense from the incorrect index/account to the one that should be appropriately charged, a Journal Entry is initiated.

If an entry has an “AQ” document prefix, then it originated in Accounts Payable. If it has a “PC” prefix, then it originated in P-Cards. If an entry has a prefix other than “AQ” or “PC”, the correction will be made by General Accounting unless it is a payroll entry. Payroll adjustments should be forwarded to the Payroll Department. Use the Journal Entry template in Excel format to create journal entries. The Accounts Payable journal entry template is located at: ([http://www.utoledo.edu/offices/controller/accounts\\_payable/forms.html](http://www.utoledo.edu/offices/controller/accounts_payable/forms.html)). This is for “AQ” entries. The P-Card journal entry template is located at: ([http://www.utoledo.edu/offices/controller/accounts\\_payable/purchase\\_card.html](http://www.utoledo.edu/offices/controller/accounts_payable/purchase_card.html)). This is for “PC” entries. The general accounting templates are located at: ([http://www.utoledo.edu/offices/controller/accounting\\_repeoos,4qste3 0 Tmml](http://www.utoledo.edu/offices/controller/accounting_repeoos,4qste3 0 Tmml)



To summarize what's happened to this point, you have completed the following:

- Checked to assure that all indexes you are responsible for reconciling are not in deficit, and notified a departmental authority that a Budget Transfer is needed.
- Verified using your reconciliation worksheet that revenue and expense transactions (except salaries and fringe benefits) are correct for each index the reconciler is responsible for, paying particular attention to operating expenses.
- Initiated Journal Entries for errors detected in the reconciliation of transaction detail by account, and noted these accordingly on your reconciliation worksheet.

The monthly reconciliation process should become easier as you become accustomed to the process and using the Web Report Library. You will also become more familiar with the dollar amounts of typical recurring monthly expenses such as telephone billings. For further assistance, refer to the listing of web links and contacts at the end of this document.

## **WEB SITES**

